

2018 State Economic Competitiveness Rankings Reveal Upward Standings tied to Federal Tax Reform

prnewswire.com/news-releases/2018-state-economic-competitiveness-rankings-reveal-upward-standings-tied-to-federal-tax-reform-300630824.html



The 11th edition of Rich States, Poor States is characterized by great movement in state economic performance and outlook as a result of federal tax reform and the resulting actions of certain states.

Biggest movement in rankings:

Biggest Gainers	Spots Gained	Biggest Losers	Spots Fell
Idaho	8	Tennessee	7
Georgia	6	South Carolina	6
Connecticut	6	Pennsylvania	5
Nebraska	4	Texas	5
Arizona	3	Illinois	6

The 15 economic policy variables used by the authors—top economist Jonathan Williams, White House Advisors Art Laffer and Stephen Moore—to rank the economic outlook of states have shown over time to be among the most influential variables for state growth. The top ten and bottom ten states for 2018 are:

Overall Economic Outlook for 2018

Top Ten	Bottom Ten
1. Utah	41. Oregon
2. Idaho	42. Maine
3. Indiana	43. Montana
4. North Dakota	44. Minnesota
5. Arizona	45. Hawaii
6. Florida	46. New Jersey
7. North Carolina	47. California
8. Wyoming	48. Illinois
9. South Dakota	49. Vermont
10. Virginia	50. New York

"The untold story of federal tax reform is its impact at the state level, where the vast majority of states are now enjoying unexpected revenue gains," said Jonathan Williams, Vice President of the ALEC Center for State Fiscal Reform. "This trend is empowering additional pro-growth tax reform efforts that will provide an added level of benefits for hardworking taxpayers. As states compete with each other for much-needed human and financial capital, there is a clear trend in favor of taxpayer-friendly, market-oriented reforms."

"The shakeup in rankings is exciting and a testament to how states are always competing to offer the most pro-growth tax climate. When states compete on the merits of good public policy, ultimately the taxpayer ends up being the real winner," said North Carolina State Rep. and National Chairman Jason Saine.

In the past five years alone, 30 states have significantly reduced their tax burdens. Those that fail to adapt to this competitive environment can fall behind by simply standing still. The facts remain clear that pro-growth policies are working and there is a clear trend in favor of market-oriented reforms.

Rich States, Poor States examines the latest trends in state economic growth. The data ranks the 2018 economic outlook of states using 15 equally weighted policy variables, including various tax rates, regulatory burdens and labor policies. The eleventh edition examines trends over the last few decades that have helped or hurt states' economies.

Used by state lawmakers across America since 2008, *Rich States, Poor States: ALEC-Laffer State Economic Competitiveness Index*, is authored by White House Advisor and economist Dr. Arthur B. Laffer, White House Advisor and Economist Stephen Moore, and Jonathan Williams, Vice President of the American Legislative Exchange Council Center for State Fiscal Reform.

To download a copy of *Rich States, Poor States* and to see individual state data, visit richstatespoorstates.org

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